

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Code of Civil Procedure is amended by adding
5 Part 23 to Article II as follows:

6 (735 ILCS 5/Art. II Pt. 23 heading new)

7 Part 23. Settlement

8 (735 ILCS 5/2-2301 new)

9 Sec. 2-2301. Settlement of claims; payment.

10 (a) In a personal injury, property damage, wrongful death,
11 or tort action involving a claim for money damages, a release
12 must be tendered to the plaintiff by the settling defendant
13 within 14 days of written confirmation of the settlement.
14 Written confirmation includes all communication by written
15 means.

16 (b) In a personal injury, property damage, wrongful death,
17 or tort action involving a claim for money damages in which the
18 law requires court approval of a settlement, the plaintiff
19 shall tender to the defendant a copy of the court order
20 approving the settlement.

21 (c) In a personal injury, property damage, wrongful death,
22 or tort action involving a claim for money damages in which

1 there is a known third-party right of recovery or subrogation
2 interest (including attorney's liens, healthcare provider
3 liens, or rights of recovery claimed by Medicare, the Centers
4 for Medicare and Medicaid Services, the Illinois Department of
5 Healthcare and Family Services, or private health insurance
6 companies), the plaintiff may protect the third-party's right
7 of recovery or subrogation interest, where applicable, by
8 tendering to the defendant:

9 (1) A signed release of the attorney's lien.

10 (2) Either:

11 (i) a signed release of a healthcare provider lien;

12 or

13 (ii) a letter from the plaintiff's attorney
14 agreeing to hold the full amount of the claimed lien in
15 the plaintiff's attorney's client fund account pending
16 final resolution of the lien amount; or

17 (iii) an offer that the defendant hold the full
18 amount of the claimed right to recovery pending final
19 resolution of the amount of the right of recovery; or

20 (iv) documentation of any other method of
21 resolution of the liens as agreed by the parties.

22 (3) Either:

23 (i) documentation of the agreement between the
24 plaintiff and Medicare, the Centers for Medicare and
25 Medicaid Services, the Illinois Department of
26 Healthcare and Family Services, or the private health

1 insurance company as to the amount of the settlement
2 that will be accepted in satisfaction of right of
3 recovery; or

4 (ii) a letter from the plaintiff's attorney
5 agreeing to hold the full amount of the claimed right
6 to recovery in the plaintiff's attorney's client fund
7 account pending final resolution of the amount of the
8 right to recovery; or

9 (iii) an offer that the defendant hold the full
10 amount of the claimed right to recovery pending final
11 resolution of the amount of the right of recovery; or

12 (iv) documentation of any other method of
13 resolution of the liens as agreed by the parties.

14 (d) A settling defendant shall pay all sums due to the
15 plaintiff within 30 days of tender by the plaintiff of the
16 executed release and all applicable documents in compliance
17 with subsections (a), (b), and (c) of this Section.

18 (e) If, after a hearing, the court having jurisdiction over
19 the parties finds that timely payment has not been made by a
20 defendant pursuant to subsection (d) of this Section, judgment
21 shall be entered against that defendant for the amount set
22 forth in the executed release, plus costs incurred in obtaining
23 the judgment and interest at the rate specified under Section
24 2-1303 of this Code, calculated from the date of the tender by
25 the plaintiff under subsection (d) of this Section.

26 (f) As used in this Section, "tender" means personal

1 delivery or delivery by a means providing a return receipt.

2 (g) This Section applies to all personal injury, property
3 damage, wrongful death, and tort actions involving a claim for
4 money damages, except as otherwise agreed by the parties. This
5 Section does not apply to:

6 (1) the State of Illinois;

7 (2) any State agency, board, or Commission, as defined
8 in Section 1-7 of the Illinois State Auditing Act;

9 (3) any State officer or employee sued in his or her
10 official capacity;

11 (4) any person or entity that is being represented by
12 the Attorney General and provided indemnification by the
13 State pursuant to the State Employee Indemnification Act;

14 (5) any municipality or unit of local government as
15 defined under Article VII of the Illinois Constitution; and

16 (6) class action lawsuits.

17 Section 99. Effective date. This Act takes effect January
18 1, 2014.